

DIER LAWYERS SPLIT ON STONEHAM OFFER

James Insists on \$2,000,000,
but Blumenthal Calls
\$200,000 'Nice.'

CENSURE FOR BROKER

Head of Firm 'Permitted
Wholesale Robbery of the
Worst Kind,' Is Charge.

WAR ON 'FLY-BY-NIGHTS'

Creditors' Counsel Favors a
Board of Censors to Pro-
tect the Public.

Creditors of the bankrupt brokerage house of E. D. Dier & Co. have been advised by counsel to withhold their acceptance of the \$200,000 offered by Charles A. Stoneham, owner of the New York Giants, until a thorough investigation of the details of the failure of the firm has been completed. It became known yesterday that the various organizations of the creditors differ somewhat on the policy to be adopted, and to clarify matters for them, a special meeting of all creditors in this district will be called within the next week or ten days.

From the Western creditors of the Dier house, who are represented by C. C. James of Chicago, comes word that a payment of 25 per cent. is not acceptable to them. In the words of Mr. James, according to Daniel W. Blumenthal, who is working with him at this end of the matter, "Mr. Stoneham will have to 'stall over' at least \$2,000,000.

Stoneham's Action Called Nice.

"Mr. Blumenthal, who with his brother, Maurice B. Blumenthal, is attorney for more than 500 Dier creditors in this district, said yesterday that he did not exactly share Mr. Stoneham's opinion regarding what Mr. Stoneham should be requested to contribute, and said that he thought that the baseball man's offer of \$200,000 based merely on what the latter terms a 'moral responsibility' was a 'very nice thing to do, considering that he is evidently innocent of any part in the Dier failure.'"

Regarding Elmore D. Dier, head of the brokerage firm, Mr. Blumenthal spoke quite differently, saying that both he and his clients felt that "Dier permitted a wholesale robbery of the worst kind."

Lawyers Mainly Present.

It is quite probable that a preliminary examination of Mr. Stoneham took place at the meeting referred to on Saturday by his attorney, who said that at the meeting, which was attended by lawyers mainly, the offer of the \$200,000 contribution was made.

In a letter written yesterday to District Attorney John H. Banton by Mr. Blumenthal, the organization of a national association to protect investors was suggested, to cooperate with the authorities, should the plan of the District Attorney to have strict supervision of brokers be adopted. This committee, tentatively suggested, would be composed of prominent financiers of reputation in the country, who would pass on the reliability of the would-be broker before the latter be permitted to practice his trade.

In this way, it was suggested, a board of reliable citizenship on "fly-by-night" brokerage houses would be established. It has been pointed out that the present conditions permit any one with sufficient capital to open and maintain an office, doing business as an "investment broker," and countless of these "brokers" have, according to various lawyers now investigating their activities, "suddenly" disappeared from the lobbies of our best hotels and gone hurriedly in the general direction of Mexico or Canada.

ANDREWS'S SECOND WIFE FIRST SING SING CALLER

Former Broker Forgets No. 1
in Giving Prison Data.

Herbert Thornton Andrews, broker, under two year sentence in Sing Sing, received as his first visitor yesterday, as soon as he was eligible to receive callers, his second wife, Mrs. Esther Tamm Andrews, whose name and address at 9 Spruce street, Jersey City, he gave to the prison officials as that of his wife. When Andrews was on trial here on the charge of defrauding Horace Van Vleet of Montclair of \$20,000 in securities, on which he received his sentence, only his first wife, Mrs. Maud Haynes Andrews, made a plea in his behalf for clemency. While living with his first wife Andrews took to his Jersey City home the second wife, who was a Pittsburgh stenographer.

PIRATES AT TRAVEL SHOW.

Pink Tea for Buccaneers Will Be
Feature of Interest.

A Pink Tea for Practical Pirates is an added feature of the Travel Show which will be held in the Grand Central Palace in the week of March 25. Mrs. Marie Boynton Ray, fiction writer, formerly managing editor of Vogue, will be the hostess and desires to pour for real, regular pirates, active or retired. Creole Bill Poole, former buccannier, living in the Indian Ocean, Mrs. R. S. P. and Sullo Granado, ex-terror of the West Indies, wirelessly an acceptance. All ex-pirates (and active ones if they elect to take a chance) are requested to wear naval-type pirate clothes—braes, earrings, knife in front teeth, red headkerchief, short pants and red socks. Genuine pirates and not the Broadway kind are the guests desired. The reception for pirates will be held at 4 P. M. March 26.

Alabama Town Creates Eve Street From Adam

Special Dispatch to THE NEW YORK HERALD.
MOBILE, Ala., March 12.—Yes, this is the day of woman. Recognition of the fact was made to-day by the City Commission when it created an Eve street from Adam street. The process did not involve any taking of ribs, however. This resolution did the work:

"Therefore, Be it Resolved, that the street running north and south in Oakfield, heretofore known as Adam street, shall be in the future designated as Eve street."

FUNDS FOR NEWTON TO FIGHT BUCKETING

Blue Sky Bills Shelved and
Martin Law to Be Used
Against Swindlers.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau.

The Legislature will give Attorney-General Charles D. Newton the money he needs to get convictions in scores of cases of stock swindling and bucket shop operations. In the supplemental appropriation bill is an item of \$10,000 with which the Attorney-General can engage accountants to examine the books of firms accused of bucketing. He had asked for \$20,000, but agreed to the smaller appropriation on the assurance that if it is not enough he can call on accountants in the State Comptroller's office.

The Martin law of last year empowered the Attorney-General to investigate and prosecute stock swindler complaints, or to proceed in such cases on his own initiative. He designated Major Rich of Brooklyn as a special deputy to act under the Martin law, but found that his hands were tied through failure of the Legislature to appropriate money for accountants.

With the supplemental appropriation the Attorney-General, it was learned to-day, is now ready to proceed against many questionable firms that have been immune from the law. It is expected there will be many convictions and numerous swindling operators will be driven to cover.

"Since the Martin law went into effect," said Attorney-General Newton, "we found evidence that absolutely convinced us that the laws against plain thieving and misrepresentation were being violated, but we could do nothing because we had no money for accountants to examine the books of the bucketing firms. The books will show in black and white the practices that these people have resorted to, and if there has been any wrongdoing they will produce evidence that cannot be questioned."

Attorney-General Newton, as well as the legislative leaders, believe that making it possible to enforce the Martin law is the most practical way of curbing the epidemic of stock swindling. For that reason the Betts, the Katlin and all the other blue sky bills introduced at this session have been abandoned.

The Betts and Katlin bills are similar, except that one puts control of brokers under the Secretary of State and the other gives supervision to the Superintendent of Banks. Both call for the licensing of brokers and for the filing of complete information concerning all sales of stocks.

At a recent hearing on the Betts bills representatives of the New York Stock Exchange opposed it as impracticable and declared that enforcement of the Martin law of last year was the best means of driving out the bucket shops.

It was disclosed at the hearing that a uniform blue sky bill for all States is now being prepared and will be ready for introducing in all State Legislatures next year.

\$25,000 GIVEN HERE TOWARD WILSON FUND

Intensive Drive Starts To-day
in \$1,000,000 Campaign.

The New York State Founders' Committee of the Woodrow Wilson Foundation, composed of 300 prominent men and women of various political beliefs, has pledged \$100,000 to the fund of \$1,000,000 or more which the foundation is raising to endow Wilson awards for distinguished public service. More than \$25,000 of this amount already has been contributed and an intensive drive will be begun to-day to collect the remainder.

KILLS SELF; FATHER STARVING

Parent, 57, Is Foodless as Son's
Body Hangs Three Days.

PUTNAM, Conn., March 12.—The body of Irving Sumner, aged 54, was found hanging from a bedpost to-day in his home at North Ashford. It was believed he had hanged himself three days ago. He had not been seen since last Wednesday.

In another room of the house lay the body of his wife, Jesse Sumner, who is 57 years old, and so feeble he is unable to leave his bed. He was unconscious when neighbors arrived and apparently had not had any food since his son committed suicide. A physician said to-night that the aged man's condition was serious.

HUNT 3 ESCAPED CONVICTS.

Michigan Police Recapture Two in
Swamp.

MARQUETTE, Mich., March 12.—State police to-night were continuing a search in all parts of the upper Michigan peninsula for three escaped prison prisoners from the State reformatory here, who, with two others, escaped from the institution last night.

Two of the escaped convicts were recaptured in a swamp near the prison soon after they broke through the roof of the reformatory.

SAVES WIFE AFIRE.

Mrs. Ella McGraw, aged 55, of 404 West Forty-fifth street, was preparing dinner for her husband James last evening when her dress was ignited by a gas range in the kitchen. She ran through the apartment, her clothing ablaze. McGraw caught his wife in the parlor, threw her to the floor and extinguished the flames by wrapping her in overcoats. Mrs. McGraw was burned so severely about the hands, face and body that physicians at Bellevue Hospital said last night she had a slight chance of recovering. Her husband suf-

SWINDLERS PURSUED BY U.S. TRADE BOARD

Commission Engaged in
Nationwide Drive Against
Crooked Promoters.

COMPLAINTS MULTIPLY

Officials Unable to Catch
Up With Task of Investi-
gating Frauds.

INVESTORS ARE WARNED

Advised to Communicate With
Washington on Suspicious
Stock Selling Concerns.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau.

Swindling of thousands of small investors through wildcat stock promotion and bucket shop schemes is being fought throughout the United States. Cooperating with the Post Office Department and the Treasury, the Federal Trade Commission is engaging in a nationwide campaign against the class of swindlers exposed by THE NEW YORK HERALD.

Thousands of letters are being received from persons who have been persuaded by false statements and advertising to invest their life savings in worthless stocks. Complaints are piling up on the commission faster than they can be handled with the present force of investigators.

Advice to Investors.

Given a reasonable time, the commission can learn the exact financial standing and plans of almost any corporation. Secretary J. Paul Yoder says, in advising that before investing in stocks and bonds concerning which there is suspicion, investors communicate with the commission.

The commission is in a position to throw the full light of publicity upon the financial standing and methods of operation of all corporations in the country when this action is deemed advisable. In addition the commission is exercising its authority where deliberate fraud is found to halt the sale of stock by tricky promoters doing an interstate business.

The commission can issue an order to any corporation to "cease and desist" from the sale of its stock where fraud is proved. This is under the statute giving to the commission authority to prohibit practices in business which are unfair to competing concerns and to the public. Fraud always is classified as "unfair."

Motor Concern's Promotion.

Thus far the commission has investigated the affairs of thirty-two corporations at the request of owners of stock in them. It recently investigated an Illinois automobile manufacturing corporation which was selling stock in Southern States. Although this concern never had produced a car, it had disposed of nearly \$2,000,000 stock and other securities. It offered to sell cars at a discount to all stockholders. Under this plan the concern interested thousands of persons, most of whom lost their money.

In the case of a Delaware corporation organized to conduct an oil producing company and a bank, an investigation showed that the officers were finding a ready sale for worthless stock by pretending to set aside a certain percentage of earnings for charitable and philanthropic purposes. This corporation was organized with the assistance of a woman, who was the wife of the president of the company. The couple were advertised as promoters who had accumulated \$1,000,000 in a private fortune in oil and were endeavoring to operate a big business for the benefit of charitable purposes. The corporation's advertisements and prospectuses were found to contain untruthful and misleading statements.

Method of Investigation.

When complaints concerning stock schemes are received by the commission its first act is to send to the corporation promoters a questionnaire. Failure to reply makes the corporation officials liable to fine of \$5,000 or one year in prison or both. A correspondingly heavy penalty is attached to the return of false information.

Almost every aspect of the corporation's financial affairs, plans for the future, method of doing business and standing of the officers must be disclosed if the questionnaire be correctly answered. Under the law the Federal Trade Commission may make public the questionnaire in whole or in part. Agents of the commission are trained in the study of these questionnaires. It is explained that it is very difficult for a shady promoter or trick corporation to conceal dishonest motives. Where the questionnaire indicates that the corporation intends to operate to the best interests of its stockholders, the commission may make public the answers to warn other investors.

Under the questionnaire system the Federal Trade Commission is in a position to exercise the powers of a Federal blue sky agency.

Publicity Exposes Swindling.

Publicity is death to swindling stock schemes. Because of the necessary legal delay involved in the collection and announcement of the information contained in the questionnaires it is sometimes possible for trick promoters to bring their stock selling campaign to a whirlwind close before the commission can bring to bear upon them the pressure of publicity.

The commission is powerless to act against corporations which are operating completely within the boundaries of a single State. It is only when their selling campaign stretches over a State line that the Federal Government can get into the game.

When complaints are received by the commission and the questionnaire process is complete, the next step is to hold hearings for the presentation of evidence. Under the law the record of a corporation may have thirty days in which to prepare its evidence. Several more weeks are required before the case finally gets to the point of final adjudication by the commission.

When the evidence is all in the commission reviews it and decides whether an order shall be issued to the corporation to "cease and desist" from its unfair practice. This order acts as an injunction and can be enforced through the courts. It can be made to operate

effectively to prevent any corporation on selling stock by fraud and dishonesty.

Postal Inspectors Help.

Backing up and cooperating with the Federal Trade Commission are the investigators and business detectives of the Post Office Department. Building here is a large room crowded from floor to ceiling with files containing reports of investigations by inspectors. A very large percentage of the reports have to do with stock swindling schemes.

Most corporations in conducting stock selling campaigns use the mails to a very large extent. This gives to the Post Office Department its lever to dislodge dishonest promoters from their money grabbing. Misleading statements in letters and advertising sent out open to prosecution.

Oil production is the favorite vehicle for the organization of corporations by tricky promoters. This is because of the publicity that has been given to the business of oil. The alleged large fortunes made overnight through lucky ventures in drilling operations. An Oklahoma corporation recently was ordered to pay \$500,000 shares of stock at 10 cents each. It was successful until the Federal Trade Commission exposed it. The loss was in the neighborhood of \$500,000. Another oil concern sold a large number of shares at \$1 each.

Fraudulent Intent Hard to Prove.

Few oil corporations have been ordered with a capital stock plan of less than \$200,000. The reason is that a capitalization of \$1,000,000 is considered modest. It is very difficult for the Government investigators to prove fraudulent intent by promoters.

There is nothing illegal, of course, in a large capitalization nor in the sale of millions of dollars in stock. It is pointed out, however, that to drill a well in a given locality for oil costs but \$10,000 or \$15,000. A concern which sells millions of dollars of stock before it begins to drill is regarded as suspicious. Some have paid cash down before a single acre of land was owned.

The plan of the oil stock promoter is to organize the company, take in a large block of stock for his labor. This is legitimate. But the plan as it is generally worked is for the promoter to sell his stock and then make a set-back, have some of the point of making money despite the disclaimer of the promoter. On the part of the Post Office Department are several such cases. This is contrary to the procedure of the professional promoter. It interferes with the plan to not include the responsibility attendant upon the management of a going concern.

Next to oil the favorite vehicle of promoters in the automobile, airplane and rubber companies, the airplane manufacturing line and finally the finance corporation.

Some Test Questions.

Some of the information required of promoters in the questionnaire used by the Federal Trade Commission is shown in the following questions chosen at random from the questionnaire form:

Name of company?
State of incorporation? Statutory officers?
Principal business office?
Places other than principal office where company maintains office or does business?
Amount of preferred and common stock authorized; state par value of each?
Amount of preferred and common stock issued?

State the name of promoter or organizer.
State previous business connections of promoter or organizer.
What compensation or benefit was received by promoter or organizer?
Annex copies of all promotion agreements and proposals.

To whom was such stock issued and for what consideration?
Describe briefly the business purposes and objects of the company; where it is to be conducted; the facilities and plant available therefor?
What is the company's immediate plan of action? What amount of money will be necessary to accomplish it; how is it proposed to raise this money—what stocks or securities are to be sold therefor or have been sold, and on what basis?

How much has been paid to date as commissions, bonus or salary to stock salesmen?
Demand for Literature.

Annex copies of all literature, advertisements, prospectuses and circulars used in furtherance of the sale of stocks and securities by company or others, and any instructions to stock salesmen.

Describe accurately, but briefly, the properties acquired, real and personal, with all improvements or plant now on, or to be placed thereon, the amounts paid or to be paid in money, stocks, bonds, securities or otherwise, therefor, and the actual value of each portion or parcel thereof.

Give similar description of any property or properties which the company has contracted to acquire or intends to acquire.

Annex (1) trial balance; (2) last balance sheet, or balance sheet prepared for the purposes of this report; (3) profit and loss account.

Give the gross income from operation or production during preceding twelve months.

Do you offer to accept, exchange or dispose of Thrift Stamps, War Saving Stamps, or Liberty Bonds in order to sell your own stock or securities?

If your answer to the last question or any part thereof is "Yes," will you voluntarily cease and desist from such practices in the future?

JERSEY METHODISTS GET ASSIGNED TO-DAY

Deacons and Elders Ordained
at Atlantic City.

ATLANTIC CITY, March 12.—Bishop H. Lester Smith of India preached the annual conference sermon before the New Jersey Methodist Episcopal Conference to-day.

The following were ordained deacons by Bishop Joseph Berry, assisted by Bishop Smith: The Rev. A. L. Dyer, S. R. Latham, G. S. Southwick, Harry Van Cleaf and H. C. Hancock. The Rev. I. S. Plinn, J. F. Dorman, N. D. Kelley, Lynwood Miller and J. P. Follette were ordained elders.

The pulpits of virtually all the Protestant churches of the city, with the exception of the Episcopalians, were occupied to-day by delegates attending the conference. Nothing definite is known concerning the pulpit assignments, which will be announced to-morrow.

GEORGIANS LYNCH NEGRO.

ATLANTA, March 12.—Charged with shooting L. O. Anderson, a white garage man, near here, Alfred Williams, negro, to-day was taken from a posse, which was bringing him to the jail here, and was lynched. Anderson will recover.

HUNDREDS OF BILLS GOING TO SCRAP PILE

Seramble Made to Help Pet
Measures as Legislature En-
ters Final Week.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau.

The Legislature starts the final week of its 1922 session to-morrow with hundreds of bills on the calendars of both houses; with Gov. Miller's program still uncompleted, and the members of the Senate and Assembly grabbing and scrambling for their pet local bills needed by the organization boys back home.

Nominal leaders of the Senate and Assembly are sitting in conference to-day behind closed doors deciding what bills are to be marked for passage. But as the session nears its end, Gov. Miller is still the undisputed leader of his party. The session has strengthened rather than weakened his grip on the party and the majorities in the two houses will go through the motions during the next few days of passing or killing important measures. But it is well understood the Governor gets what he wants.

Hundreds of bills will go into the discard. The pork barrel measures will die by the score. The important measures on the Governor's program yet to be enacted are the water power, child welfare, maternity and central State purchasing board bills.

The reform lobby met with disaster in the Legislature this year. Nearly every bill the reformers brought to Albany has been lost. The Anti-Slavery League's triplets were doomed when many of the dry legislators themselves turned against them. The Lord's Day Alliance bill to license poolrooms, Canon Chase's bill abolishing jazz, and numerous other measures never were seriously considered. The anti-jazz bill, which specified how many steps to the minute dancers could take and how far apart they should stand, and tabooed cheek to cheek dancing, was pigeonholed the minute it was introduced.

All home rule and soldier bonus measures have been abandoned. About the only important measure for the soldiers which will pass is that appropriating \$1,000,000 for disabled veterans, and the only home rule action likely to be taken is the creation of a commission to study the question. Gov. Miller has approved both proposals.

The Governor's maternity bill was introduced in place of a measure authorizing the State to participate in the Sheppard-Towner maternity and infancy act of the Federal Government. It appropriates \$100,000. The State would have had to appropriate only \$75,000 under the Federal act, but Gov. Miller objected to national interference in what he believed to be purely a State function.

If the Legislature takes any action at all on a soldier bonus it will be

the adoption of a constitutional amendment making it possible for the State to issue bonds for this purpose. The American Legion opposed a constitutional amendment on the ground that it would take four or five years before the money would be available. They insisted on an immediate appropriation of \$30,000,000, but Gov. Miller and the legislative leaders did not want to take the responsibility of spending so much money of the State.

M'ADOO PLANS TO BARE ALL COTTON DEALING

Bucket Charges Must Be Dis-
proved or Sustained.

The John Doe inquiry into the cotton brokerage business in this city will be resumed this afternoon before Chief Magistrate McAdoo in the Criminal Courts Building, and daily sessions will be held thereafter until the bucketting charges made against certain cotton traders are sustained or refuted.

Judge McAdoo announced at the first hearing last Tuesday that the investigation would not be confined to specific complaints, but would embrace every phase of the business in New York, which is the greatest cotton market in the United States. He has asked District Attorney Banton to prepare for prosecutions on these lines.

The American Cotton Exchange, which deals in "odd lots," asked a public hearing rather than a Grand Jury probe. The proceedings are directed against John Doe, Richard Roe, John Doe Company, John Doe Exchange, John Doe Clearing House and others, so that not only the American Exchange, but the larger New York Cotton Exchange will be scrutinized. Members of the governing committees of both exchanges, cotton experts, brokers, commission men, growers and manufacturers will be examined to determine whether the law has been violated.

Another case growing out of the recent campaign against bucket shops and stock frauds—that of Julius H. Schwartz, Max Goldstein and others—is up for trial to-day in the United States District Court.

EMPLOYMENT IN STATE SHOWS 3 PER CENT. GAIN

Clothing Industry Reports the
Largest Increase.

ALBANY, March 12.—Increases in employment in virtually all of the industries in New York State are reported in an analysis of employers' reports issued to-night by Henry D. Sayer, State Industrial Commissioner. A 3 per cent. increase in factory employment, the second largest gain since "the beginning of the depression," is featured in the report.

"Improved business conditions and seasonal demands were the chief factors causing the gain in employment," said the report. "The reopening of factories after the semi-annual inventory and repairs also was responsible for greater employment. The reductions reported were more seasonal in nature." The clothing industries reported the largest increase of any of the chief industry groups.

ROLLS-ROYCE

ANNOUNCES

NEW PRICES

GUARANTEED

An Open Phaeton - \$10,900

785 FIFTH AVENUE
B'WAY at 57th St., FISK BLDG
RITZ-CARLTON - ATLANTIC CITY

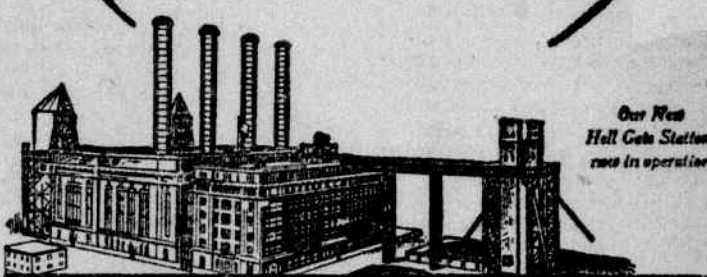
The United Electric Light & Power Co.

General Offices: 130 East 15th St. Branch Offices: 89th St. & B'way, 146th St. & B'way.

The United Electric Shops

Large and beautiful displays of electrical home comforts and necessities—some perhaps that will afford suggestions for the little things, the useful things, which will tend to make your home more homelike and your housework less tiresome, are to be found at each of our three branch offices.

A visit, we are sure, will prove pleasurable. You are always very welcome whether you come to buy or merely to look around and ask questions.



Our New Hall Cuts Station, now in operation.

55



"For men may come
and men may go,
But I go on forever."

**COLUMBIA
TRUST
COMPANY**

—and the work of your Trust
Company goes on—perpetually.

NO MATTER WHEN the time may come, the Columbia Trust Company, as Executor of your estate, will be here to act for you—to distribute the fruits of your business life—your money, as you wish, to whom you wish, and in the amounts you wish, exactly as you write it in your Will.

Member of Federal Reserve System